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PROGRESS REPORT ON THE IMPLEMENTATION OF AGREED CONCLUSIONS AND RECOMMENDATIONS OF THE COMMISSION

The impact and relevance of electronic commerce on trade growth and development

Executive summary

This report describes the progress made in implementing the recommendations addressed to UNCTAD on the impact and relevance of electronic commerce on trade growth and development at the third session of the Commission on Enterprise, Business Facilitation and Development, held in November/ December 1998.

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Introduction

1. This report has been prepared in accordance with decision 446 (EX-16) of the Trade and Development Board on "Guidelines on the efficiency and functioning of the UNCTAD intergovernmental machinery", adopted at its sixteenth executive session, in February 1998. The guidelines require that "The Commissions should have before them, at the following session, progress reports on the implementation of agreed conclusions and recommendations by the secretariat".

2. The "Report of the Commission on Enterprise, Business Facilitation and Development on its third session" (TD/B/45/15-TD/B/COM.3/20), held from 23 to 27 November and on 14 December 1998, contains several recommendations for action by the secretariat on agenda item 4, "The impact and relevance of electronic commerce on trade growth and development". In making these recommendations, the Commission stressed the importance of analytical documentation in raising awareness among member States of the potential benefits and obstacles specific to the development dimension of electronic commerce and in deepening understanding of policy implications. It considered that UNCTAD could make a significant and positive contribution to the current debate on electronic commerce by pursuing such work, while focusing on issues related to trade and development.

Recommendations and actions

3. *"The Commission requests that UNCTAD gather information relevant to development-related dimensions of electronic commerce and that this be posted on UNCTAD's website. Such information could include development-related programmes of international organizations as well as basic statistics on Internet access and connectivity."* [para. 31][1]

4. **Action:** The work presented in TD/B/COM.3/16 has been pursued. Cooperation with other institutions has been enhanced in this area, particularly with the International Telecommunication Union (ITU), the World Intellectual Property Organization (WIPO), the World Trade Organization (WTO), the International Trade Centre UNCTAD/WTO (ITC) and the Economic Commission for Europe (ECE), and should lead to the prompt creation of a common website. In the process, relevant information will also be provided for posting on UNCTAD's own website. Additional resources have been secured (including through the Development Account) to provide visible results in that area in the coming months. Some updated data on connectivity and access to electronic commerce are presented in document TD/B/COM.3/23; a more complete set of data will be made available in the background documentation under preparation for the series of regional workshops being organized by UNCTAD on electronic commerce and development (see para. 9 below).

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[1] Paragraph numbers in square brackets refer to paragraphs in the report of the Commission on its third session (TD/B/45/15-TD/B/COM.3/20).

5. *"The Commission takes note of the existing cooperation between UNCTAD and other relevant international and regional organizations which have relevance in the field of electronic commerce and stresses the importance of further enhancing such cooperation."* [para. 30]

6. *"The UNCTAD secretariat is encouraged to pursue its analytical and research work on the links between electronic commerce and development, with special focus on measures and policies likely to enhance the ability of these countries to participate more fully in global electronic commerce. The secretariat is encouraged to approach other relevant organizations to produce joint studies in areas of particular interest to these countries. Specific importance should continue to be attached to the links between electronic commerce and trade facilitation. Such work should be made available to other relevant organizations, in particular the World Trade Organization."* [para. 32]

7. **Action:** The work presented in TD/B/COM 3/17 has been pursued. Cooperation with other institutions has been enhanced in this area, particularly with ITU (a memorandum of understanding between the two organizations is currently being finalized), WIPO and the United Nations Commission on International Trade Law (UNCITRAL) (on legal aspects), WTO, the World Bank and the Organisation for Economic Co-operation and Development (OECD). Although no net additional resources could be provided by the UNCTAD secretariat for this purpose, a restructuring of the Division for Services Infrastructure for Development and Trade Efficiency has made it possible to strengthen the links between some aspects of trade facilitation (including transport, banking and insurance) and electronic commerce analyses. Moreover, the General Assembly, in its resolution 53/220, decided to finance UNCTAD's proposal on electronic commerce from the Development Account, as a result of which the UNCTAD secretariat will be able to speed up its work on the topic in the coming months and to link it to the preparatory process for UNCTAD X. A summary of UNCTAD's analytical findings and policy proposals on electronic commerce and development will be found in the background documentation being prepared for the series of regional workshops requested by the Commission and funded from the Development Account (see below).

8. *"The Commission requests UNCTAD to organize regional electronic commerce workshops; emphasis should be put in such workshops on stimulating exchanges of experiences among enterprises having a practical knowledge of electronic commerce."* [para. 33]

9. **Action:** Thanks to the above-mentioned decision of the General Assembly to finance the promotion of electronic commerce from the Development Account, a series of two workshops and two round tables on electronic commerce is being organized. The first workshop, to be held in Geneva from 17 to 18 June 1999, will be one of the pre-UNCTAD X events, and will allow exchanges of experiences among enterprises involved in electronic commerce. A second workshop should take place in Lima, Peru, in early August 1999, and will allow participants from Latin America and the Caribbean to address issues relevant to the participation of enterprises from developing countries in electronic commerce. Two more regional round tables have been tentatively scheduled, for September 1999 in Kenya (for the African region), and for October 1999 in Sri Lanka (for the Asian and Pacific region). Efforts are being made to encourage strong participation from the enterprise sector in these regional meetings.

10. *"The Commission takes note of the secretariat's revised proposals for the Trade Efficiency Assessment Methodology (TEAM) and encourages the secretariat to approach possible donors to expand, if necessary, to other countries the valuable exercise carried out in Cambodia."* [para. 34]

11. **Action:** Due to lack of resources, efforts by the secretariat in this area have been suspended. So far, no potential donors have expressed interest in extending the TEAM exercise to other developing countries. However, interest among potential beneficiary countries (in particular the least developed countries) remains significant, and the secretariat intends to pursue its efforts to mobilize donor support for additional TEAM exercises.

12. *"The Commission takes into account and supports UNCTAD's work in the area of electronic commerce. Concerning the Trade Point Programme, the Commission reserves its conclusions for its next session in the light of the ongoing discussion on the in-depth review of that programme in the Working Party on the Medium-term Plan and the Programme Budget."* [para. 35]

13. **Action:** At its thirty-third session, the Working Party on the Medium-term Plan and the Programme Budget requested the Secretary-General to consider convening "a meeting which would involve in particular Trade Point managers and end-users to advise him on the proposals to be made by the secretariat with respect to the implementation of the recommendations contained in the evaluation report, and to advise on future actions aimed at enhancing programme delivery ... its conclusions should be transmitted for consideration to the fourth session of the Commission" (TD/B/WP/L.87, para. 10). This meeting was held in Geneva from 26 to 28 May 1999, and its conclusions should be considered by the Commission under agenda item 7, "Other business".

14. *"The Commission agreed to convene the following expert meeting under agenda item 4: Capacity-building in the area of electronic commerce: legal and regulatory dimensions."* [para. 36]

15. **Action:** This expert meeting will be held in Geneva from 14 to 16 July 1999: an oral report presented by its chairperson should be considered by the Commission under agenda item 5.

16. *"It decided to mandate its extended Bureau to consider the topic for the second expert meeting under this agenda item."* [para. 37]

17. **Action**: The extended Bureau of the Commission recommended that the Trade and Development Board should convene only one expert meeting in 1999 on capacity-building in the area of electronic commerce (see above). This recommendation was approved by the Board at its twentieth executive session, on 5 February 1999.